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WHY NOT OWN THE PANAMA ISTHMUS?

BY FREDERIC C. PENFIELD, FORMERLY UNITED STATES DIPLOMATIC
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FOR half a century the Nicaraguan was the only isthmian canal route believed to be available by the United States. Foreigners controlled the Panama route. Hence generations of Americans have been reared under the influence of Nicaraguan preference, and it was inevitable that a national prejudice should obtain against the project of our rival in Central-American canal construction.

Popular opinion within the past few weeks has been undergoing rapid readjustment, however; and the French company, aware that its undertaking could not survive the competition of a governmental waterway—that in time might be thrown open to free navigation, as rivers and harbors are—has offered us its franchise, rights, and the partially dug canal at Panama for the sum our governmental commission reported these to be worth to us, \$40,000,000; and the commission has made a supplemental report to the government, in view of the reasonableness of the offer, favoring the adoption of the Panama route. The Colombian authorities assure us that they will gladly transfer to the United States all the privileges possessed by the French. These radical changes should mean that our government will build at Panama. Piercing the isthmus at its narrowest point, the engineering advantages of this route have long been obvious; and it is the estimate of the Walker Commission that, possessed of the French concession and of the work completed by the French company, at a cost to us of \$40,000,000, we could construct a canal at Panama for \$38,130,704 less than by way of Nicaragua.

Any one taking the trouble to compare the rival routes dispassionately, must decide in favor of Panama. Nature has pro-

vided there a good harbor on either side of the isthmus; the Panama canal could be maintained for \$1,350,000 per annum less than the Nicaraguan, the Walker Commission informs us—an amount equivalent to three-per-cent. interest on \$45,000,000; a ship could steam from ocean to ocean *viâ* Panama by the light of one day, as against thirty-three hours by the Nicaraguan route; and Panama would be a shorter route between our Atlantic and Gulf ports and the west coast of South America, which is, admittedly, a fruitful field for the development of commerce with the United States.

The chief claim of partisans of the Nicaraguan route is that their canal would bring our Atlantic and Pacific ports one day nearer each other than the Panama canal possibly could. These advocates array figures showing how much time ships bound from New York or New Orleans to San Francisco would save by using the Nicaraguan canal; but they fail to mention the important advantage that Panama would offer to American vessels trading with Callao, Valparaiso, and other South-American ports. In its commercial aspect the object of an interoceanic canal built by the United States must surely be the bringing to us of new and foreign markets, not the acceleration of intercourse between harbors on our own two ocean coasts. Four perfect systems of transcontinental railroads, more or less in competition, leave nothing to be desired in the matter of serving domestic trade. It is foreign trade we should bid for. Ships from Asiatic ports would reach the Atlantic by way of Panama as quickly as by Nicaragua, assuredly. Navigators are slow to accept as a fact the claim that the Nicaraguan canal could be traversed in thirty-three consecutive hours; and few owners of deep-draught ships, bearing valuable cargoes, would risk their property by steaming at night in a canal leading over mountain ranges, with sharp curves everywhere, as well as numerous locks. Three days' canal insurance of vessel and cargo would offset any possible profit accruing from the use of such a canal.

The United States should build no such waterway. The Panama route, allowing for its faults, is ten-fold more feasible than the Nicaraguan.

The words "hard up" cannot adequately suggest the present financial condition of the republic of Colombia. Twenty-six months of revolution have reduced the country to worse straits

than curse any other land in this hemisphere. A traveller may pass weeks there without seeing a coin of gold, silver, or copper; and if he brings away any of the "emergency" paper dollars, it will be to illustrate the poverty of Colombia, through unrestricted inflation; for the dollar (*peso*) will be found to have an exchange value of but two cents.

Colombia cannot hope to raise more money by bond issues, by the granting of concessions, or by pledging taxes and customs receipts. She will consequently be compelled to sell something, and she will not be overparticular what that something may be.

In no country, however wretched, can a proposal of territorial alienation meet a popular reception. Such a proposition would doubtless be scouted at Bogota, and statesmen there would be chary of committing themselves to it. But a people impoverished by a prolonged rebellion, and with an empty treasury, cannot be expected to resist the inevitable.

At our capital, Colombia is represented by her ablest diplomatist, Señor Don Martinez Silva, as astute a negotiator as the present generation of South Americans has known. However startling the suggestion might at first appear, Minister Silva is too practical not to consider at this time a proposal by the United States Government to purchase for an equitable sum Colombia's sovereignty to the so-called State of Panama. Absolute ownership of the soil should be a prerequisite to America's building of a canal. We should not construct public works of any character in territory that we cannot govern untrammelled. As "tenants" of Colombia or Nicaragua, we would be obliged to pay a considerable sum each year.

We could afford to pay Colombia outright all that her rights in the isthmian territory are worth, and there should be no more disposition to drive a sharp bargain with her than with the thousands of countrymen of Lafayette and Rochambeau who are now proffering us their privileges and property at Panama at a figure more than reasonable. This country has no need for profiting by the necessities of any person or nation. A canal is going to be a costly enterprise. Let us go about it in a practical manner.

Public discussion, if logical and earnest, never retards wise public action, and national policies must have their origin in individual minds. I modestly suggest, therefore, that every con-

dition is favorable for the United States taking a step in practical expansion that would leave its impress for all time upon the scroll of great achievements—the purchase outright of the State of Panama, worth comparatively little to Colombia, but of inestimable value to a powerful nation constructing a waterway to unite the Atlantic and Pacific. A potentially important word might well be incorporated in the popular slogan, and we should aspire to *own*, as well as to construct and control, an isthmian canal.

We could not buy territory of Nicaragua if we tried, for her constitution expressly forbids the alienation of soil. She has signed a protocol to give us a long-time lease of the region through which a canal might pass; but there is a mighty distinction between proprietorship and lesseeship. The proposal to assign us permanent jurisdiction of a six-mile strip is meant to be generous. But the policing by this government of a “zone” of this character could have but one outcome, perpetual and vexatious argument with Nicaragua as to boundaries and the right to execute laws of our making. Better a “zone” six yards wide, or none at all.

The people of Panama have no affection for their home government, and would acclaim the coming of American authority. A plebiscite would be practically unanimous. Colombian currency is disavowed in Panama, and postage-stamps used in every other State of Colombia have there no value. More than once petitions have been circulated on the isthmus memorializing the Washington authorities to annex the region, while for years it has been the habit of isthmian families to shun the name of Colombians, preferring to be called “Panamaans.”

It is twelve days’ journey from Bogota, the seat of government, to Panama. Remoteness from the capital may furnish a reason for the popular belief throughout the State that it is poorly governed, that its destinies are controlled by men who have no sympathy with the Panama people, and who grind from them, under the guise of taxes, all the reward coming from their various industries, agriculture, mines, and fisheries. The fact that our government is pledged by treaty to preserve order on the isthmus, and recently sent armed forces there, should greatly assist a movement at this time looking to the ownership of Panama by the United States.

This strip of territory joining North America with South America is not without value, if regarded from other points of view than canal-building. Its resources are varied, ranging from mines to pearl-fisheries, and most of these are but partially developed. Three-fourths of the capital invested in the State is American. With our rule the isthmus might be made to pay its way, independently of the canal.

Could any one object to the transference of Panama to this government? No one. Would not every government in the list of nations indorse a movement which would give to the isthmus an administration that would secure property and life and equal rights to every dweller there and to every user of the canal? It would, certainly. From no source came a note of disapproval over our reported negotiations for the Danish West Indies.

Under our proprietorship, marauding at Panama, whether it were a colony like Porto Rico or a territory like Hawaii, would be as unlikely as in Philadelphia.

Secretary Hay's achievement in causing the abrogation of the Clayton-Bulwer treaty with Great Britain stamped him as a great Secretary of State. But as a triumph of diplomacy that achievement would become insignificant compared with the acquisition of Panama by the United States. Public sentiment is favorable to expansion, and the extension of our territory by judicious purchase could have only the moral approval of every patriotic citizen not committed to the Nicaraguan project. President Roosevelt's policy is a constructive one, and such an enlargement of the national map under his incumbency would make his administration memorable.

There must be, in any case, important negotiations between the Department of State and Colombia, as the period for which the French company's concession is to run — ninety - nine years — is too brief to satisfy any responsible government venturing upon canal construction. The United States must insist upon a franchise and control practically perpetual, obviously. Negotiating for the franchise of Panama outright would in every way be simpler, but time might be required to bring it to a successful conclusion. Haste in adopting any terms for the building of a canal not based upon the ownership of the soil through which the canal will run, will saddle upon posterity a condition more unfortunate than if there were no canal at all.

Diplomacy of the Hay type can do more towards making a canal a lasting success than the efforts of all the civil engineers in the country. The Suez Canal was a triumph of financial resources, as well as of engineering genius. Let America's canal be founded upon America's practical diplomacy.

With the Stars and Stripes destined to float over half the West-Indian islands, as in time it will, the ownership of the natural gateway between two oceans should be vested in the nation which has power enough to cause the Monroe Doctrine to be recognized throughout the wide world as valid law. Great Britain, France, and Holland reap no pecuniary benefit from their possessions in the Bahamas and the Windward Islands, and in time many of these will naturally come under the control of the United States. We have never purchased a foot of soil but it has turned out that we made a fortunate venture. Bleak Alaska, costing \$7,000.-000, could be sold to-day for many times that sum.

The greatest material success of Disraeli's career was his action in buying Ismail's shares in the Suez Canal company. With Continental agents at Cairo ready to purchase the discredited Khedive's shares on the following day, Disraeli, without the formal sanction of his government, stepped in one night and captured the securities by cable for \$4,000,000. England has ever since controlled the canal, and her shares have now a market value of £20,000,000. It will be recalled that nearly every public man in Great Britain, Disraeli included, opposed the building by the French of the Suez Canal, pooh-poohing the suggestion that it was demanded by commerce, or that it could ever be made to pay. Since Disraeli's day British statesmanship has woven around the country through which the Suez waterway runs a control amounting to colonial rule. Had not the canal of de Lesseps developed into a convenient short-cut for Europe to Britain's richest treasure-house, India, England would never have gone to Egypt with her civil servants and her army of occupation.

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